



CONSUMER BEHAVIOUR IN RELATION TO SOCIAL MEDIA MARKETING TOOLS: A THEORETICAL STUDY ON ONLINE REVIEWS

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ABSTRACT

While traditional marketing has long been advocated for, social media marketing has now come to the forefront. Various platforms with different interfaces ensure that there is something for everyone. One of the most popular methods of engaging with brands and other customers is through posting reviews online. People may post their personal experiences with products, services, people, travel destinations, food and beverages, etc. Another development in the field of marketing has been the emergence of social media influencers; users who have established their credibility with expertise in specific areas with a large number of followers for greater reach. With such consumer reviews and influencer marketing gaining traction, it is becoming increasingly imperative for marketers to formulate strategies to counter negative reviews and augment revenues. This paper explores the theoretical framework of traditional as well as social media marketing tools to understand why the latter is better than the former.

KEYWORDS: Social Media Marketing, Online Reviews, Word of Mouth, Traditional Marketing,

INTRODUCTION

Marketing firms have traditionally been interested in customer satisfaction. Customers continue to purchase those products with which they are satisfied, and in telling others about particularly pleasing products, they may influence the brand perceptions of those with whom they communicate. However, it is not necessary that all consumers are actively involved in engaging in such behaviours. In a study by Bauer and Greyser (1968), it was found that consumers were aware of only about 15 percent of the daily promotional activity in their environment. In addition, only 30 percent of the noticed ads generated any active processing (i.e. consumers reported that the ads were informative, enjoyable, annoying, or offensive). This suggested that consumers processed many promotional messages with minimal levels of involvement.

Today, however, consumers are bombarded with information from various sources to the extent that it can no longer be ignored. The rise of social media has led to a paradigm shift for marketing. In a 2020 study by Facebook, it was reported that more than 2 billion Facebook members actively use this social media platform per month. User-generated content on social media platforms and product search engines is transforming the way consumers shop for goods in the digital space. Social media platforms such as Twitter, Facebook, YouTube, etc. have become prominent tools for online communication among millions of consumers. The lack of time-lag between information receipt and broadcast makes it an ideal mode to disseminate information to multiple users at the same time with the simple click of a button. Therefore, with its advantages of content generation and consumer engagement, social media has become a primary means of marketing for many companies (Wang and Feng, 2017) and as such, businesses regard social media as an important part of their marketing strategies (Chen and Lin, 2019; Zhang et al., 2019). They are increasingly seeking to leverage opportunities associated with social media marketing.

Over the years, these social media platforms have modified their user interfaces in a big way such that consumer engagement has seen a sharp rise. For instance, instead of only “liking” a video on

YouTube, a consumer can “dislike” as well as comment publicly. This can sometimes create a spiral of consumer engagement, with everyone wanting to put forth their opinion. It can also allow users to get recommendations on a product, or guidance on experiences which other users may have already encountered. As such, social media has become an important means by which businesses can influence consumers' attitudes, opinions and purchasing behaviours. Studies have shown that 'likes' and comments are important metrics of consumer engagement on social media (Hoffman and Fodor, 2010). Sometimes customers might give suggestions in their reviews to enhance or improve product experience. This is an important consideration for marketers and also shapes consumer behaviour. If the consumer's voice is given due consideration, the consumer may want to continue associating themselves with the brand, and if not considered, the consumer may exit completely.

Online product reviews represent a potentially valuable tool for firms, that can be used to monitor consumer attitudes toward their products in real time, and adapt their manufacturing, distribution, and marketing strategies accordingly.

A formal marketing communication or an endorsement will most likely not include a negative feedback, as compared to a consumer review. Word-of-mouth communication is valuable because it is presumed to be less biased than communications from those with a vested interest in cultivating certain attitudes or behaviour (Brown and Reingen 1987; Friestad and Wright 1994; Godes and Mayzlin 2004). Such communication is pertinent since consumer decisions are more likely to be influenced by such reviews. However, a negative review or feedback may not always be informative. Multiple factors which contribute to the product or service appeal may have been omitted in the review. When consumers do not have all the information they want, they tend to draw inferences, whether about people (Asch 1946; Fiske et al. 1999; Kahneman and Frederick 2002) or products (Kivetz and Simonson 2000). For instance, when reading online reviews, consumers are more strongly influenced by reviews written by those who are geographically proximal (Forman, Ghose, and Wiesenfeld 2008). Conversely, the impact

of social media communication can also be high if a review is posted on a global website. For instance, there are websites which are dedicated to user reviews and have a wide geographical reach, some examples being – Glassdoor for employee reviews on companies, TripAdvisor for hotel reviews, IMDB for movie reviews, Goodreads for book reviews, etc. Firms can also affect consumer engagement behaviours (CEBs) by providing rewards and other incentives to its customers. Some companies reward customers for referrals, particularly among those who are very satisfied with the firm. The E-Commerce website Amazon, for instance, encourage consumers to review their past purchases with a star rating as well as written content. It also asks other users if they found the review “helpful” making it easier for such consumers to make informed decisions.

Sometimes, product reviews directly advertised via social media websites can encourage impulse purchases. Not only can social media marketing influence sales of search goods, but also of experience goods. Experience goods are products whose quality the consumer cannot determine until after buying and experiencing the product (e.g., foods, books, and detergents). Nelson (1970) argued that advertising claims for experience goods are uninformative because consumers cannot verify such claims before purchasing the product. This has now changed. Consumers are increasingly relying on genuine reviews posted on social media to make purchase decisions for products without looking at them first hand. Prospective customers use star ratings, unstructured product reviews and photographs posted by other users to experience the product virtually. Most of the times, the reviewers or respondents have not been requested to communicate their opinions but are doing so voluntarily, a high level of authenticity can be expected. By writing product reviews, consumers intentionally invest time and energy into sharing their opinions and, indirectly, providing benefits to others (Ghose & Ipeirotis, 2007). Let's take the example of motion pictures - while marketing plays an important role in a movie's opening weekend, consumer word-of-mouth has been frequently cited as the single most important factor that determines the long-term success of motion pictures and other experience goods (De Vany & Walls, 1996). Therefore, marketers must not disregard this method of communication while determining their marketing strategies.

Product promotion on social media is mainly reflected through marketing messages and consumer engagement. Marketing studies, meanwhile, have focused on the design of marketing messages (Yadav and Pavlou, 2014). Yet, when marketing messages are published on social media, some generate a great deal of user interaction (e.g. through likes and comments), while others generate very little. It is very important, therefore, for a company to know how to use the two abovementioned kinds of information on social media to promote product sales and achieve better marketing performance.

Understanding Social Media Marketing

One of the most widely accepted notions in consumer behaviour is that word-of-mouth communication (WOM) plays an important role in shaping consumers' attitudes and behaviours (Brown and Reingen, 1987). Although there were traditionally many methods of gauging WOM data, surveys remained most popular because individuals could directly be asked about their habits and preferences. The advent of the Internet introduced a new technique for measuring consumer WOM - directly through social media websites, online discussion groups, online review forums, and other forms of user-generated online content.

Empirical findings also support the opinion that online consumer reviews can be a good proxy for overall word-of-mouth (Zhu & Zhang, 2010), which, in turn, can have a strong influence on the decision-making processes of other potential buyers, who search the Internet for product information (Chevalier & Mayzlin, 2006; Urban, 2005). While Resnick has ascertained that the role of traditional marketing is still relevant in recent years due to the ease of attracting local consumers as well as ability to measure 'return on marketing investment (ROI)', Tuten & Solomon, on the other hand, supported that 'social media marketing' empowers brands to attract their niche consumers effectively. Social Media Marketing, although not without disadvantages, far outweighs the advantages of a traditional marketing strategy. Social Media platforms offer opportunities to create targeted advertisements catering to different interest groups that can reach a large audience with a small financial cost, but with the same or even higher level of impact.

Social media is the social interaction among people in which they create, share or exchange information and ideas in virtual communities and networks. Andreas Kaplan and Michael Haenlein define social media as 'a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0 and allow the creation and exchange of user-generated content.' Social media offers advantages over traditional media on parameters including quality, reach, frequency, usability, immediacy, and permanence. Social media technologies take on many different forms including magazines, Internet forums, weblogs, social blogs, micro blogging, wikis, social networks, podcasts, photographs or pictures, video, rating and social bookmarking.

Customer Engagement is the emotional connection between a customer and a brand. Highly engaged customers buy more, promote more, and demonstrate more loyalty. Providing a high-quality customer experience is an important component in a customer engagement strategy. Customer engagement on social media creates an environment for the reception and exchange of information (Kaplan, 2012). Calder and Malthouse (2008) discuss the concept of media engagement, focusing on the consumer's psychological experience while consuming media. They distinguish media engagement from mere liking, implying that engagement is a stronger state of connectedness between the customer and the media than liking alone. Such behaviour manifestation can be both positive or negative. In fact, compared to positive reviews by consumers, negative ratings and reviews can have a greater impact on marketing messages and consumer engagement product sales (Chevalier and Mayzlin, 2006). Additionally, the hypothesis that product reviews affect product sales has received strong support in prior empirical studies (e.g., Godes and Mayzlin 2004, Chevalier and Mayzlin 2006, Liu 2006, Dellarocas et al. 2007, Duan et al. 2008, Forman et al. 2008, Moe 2009). In a 2011 study by Jin et al., it was summarized that Facebook 'likes' can promote information sharing and affect consumers' buying behaviour. A social media 'like' is an important personal engagement behaviour that can connect individuals with products they like (Oh et al., 2017). Consumers can use it to express their views and show support for the product.

Social media comments can express consumers' opinions about a product (Wang et al., 2019) and thus comprise a type of interactive engagement that binds individuals to products.

Interactive engagement refers to gaining insight from and identifying with the circumstances of others (Calder et al.,

2009). Users get more value from socializing, participating and receiving input from others in the community (Pagani and Mirabello, 2011).

Previous research has shown that interactive engagement has the advantage of encouraging consumer learning, commitment and brand loyalty (Keller, 2009) and has been found to promote communication between potential and existing consumers through interaction (Gillin, 2008).

An Online Review is an opinion on a product or service posted by someone who is a user of such product or service, with an aim to provide information that may otherwise be unknown to a potential consumer. Online product reviews typically consist of three elements, namely, the pros and cons that explicitly refer to the perceived strengths and weaknesses of a product, the associated product ratings (e.g., in the form of stars) and the formless comments and remarks i.e. full text. Sometimes, online forums also provide the possibility to indicate whether or not one would recommend the respective product. (Decker and Trusov, 2010). In a study by Martin Soler and Josiah Mackenzie (2011), it was stated that online reviews received a lot of attention and helped in setting the direction of marketing and advertising campaigns.

Studies in this particular field have examined the relationships between social media variables and economic performance. Research in this direction has generally assumed that the primary reason that reviews influence sales is because they provide information about the product or the vendor to potential consumers. However, it was found that not only the star rating but also textual characteristics of a review impacted sales. Sher and Lee (2009) stated that online consumer reviews provide a trusted source of product information for consumers.

Previous research studies on social media marketing mainly focus on the design of marketing messages and content, including information valence (Chevalier and Mayzlin, 2006), availability (Duan et al., 2008), content format (Martins et al., 2019; Kou et al., Forthcoming) and emotional content (Yoo and Kim, 2014; Li et al.,). These studies typically focus on the effects of marketing messages on user experience and whether they are effective for attracting users (Ducoffe, 1996; Lee et al., 2018). However, those studies tend to use social media as a research background and ignore the uniqueness of social media marketing and therefore, usually do not differentiate social media marketing from other types of online marketing. According to a Deloitte report of 2020, 29% of social media users were more likely to make a purchase on the same day of using social media, whereas 62% of customers stated they shared bad customer experiences with other people. According to GlobalWebIndex, 54% of social media users use social media to research products and 71% were more likely to purchase products and services based on social media referrals. Keeping these statistics in mind, the relevance of social media reviews and its underlying impact for marketers has become even more paramount.

How Impactful are Customer Reviews?

The focus on marketing effects of social media feedback is limited. Online reviews are likely to be most helpful for marketers, as they contain valuable information about what aspects of the product are driving the sales up or down. (Ghose and Ipeiritis, 2011). Reviews may list objective information, listing the characteristics of the product, and giving an alternate product description that confirms (or rejects) the description given by the marketer. The other types of reviews are the reviews

with subjective, sentimental information, in which the reviewers give a very personal description of the product, and give information that typically does not appear in the official description of the product. Therefore, marketers need to know what aspects of reviews are most informative from consumers' perspective.

Based on an empirical study of the usefulness and impact of product reviews, Ghose and Ipeiritis (2007) suggested that customer opinions provide a meaningful basis for identifying those product attributes that are important for marketing purposes. Cheung, Kwok, Law, and Tsui (2003) argued that customer preferences can be predicted by analysing the relationship between product ratings and the corresponding product attributes.

Customers who are highly engaged with the content may prove useful when the company is defining its strategies or testing a new product. and in this day and age of social media marketing, it has become imperative for marketers to try and alleviate the consequences of negative reviews. Subjective characteristics of reviews, although difficult to analyse can be employed to modify consumer behaviour and sales patterns. They can be used to set up recommendation systems to help promote products which give best value for money.

Challenges

Reviews are subjective in nature and have a tendency towards bias. Reviewers may sometimes write subjective opinions that portray their emotions towards a product but may not actually reflect the product features or the value that the company adds. Similarly, a review may contain only objective or factual information about product features, which may not be as informative because they might be a repetition of what the marketer claims.

There is also a challenge of hidden paid-reviews where brands selling on E-Commerce platforms send complimentary products to consumers and solicit their positive reviews on social media or on the selling platform itself. This is especially true in the case of newly launched brands. While there would be a series of few high ratings, there is a possibility that no new ratings come up after a particular period of time, clearly indicating that this was indeed a promotional activity.

Drawing parallels and bridging the gap between actual and pertinent information is a challenge in itself. Some ratings have star or numerical values. Also, the gap between the textual and qualitative nature of the review, and quantifying it in numeric values can be difficult. Additionally, the sheer volume of social media reviews may make it difficult to pick out what aspects of the review are pertinent for analysis and what aspects may be left out – this is again subject to bias and researcher choice.

CONCLUSION

Multiple factors emerge from analysing reviews that can influence the perceived quality and economic impact of reviews. From a strategic perspective, a framework can be developed that can allow academicians, scholars and managers to fully understand consumer and reviewer behaviours and examine them in an integrated manner.

Some level of dissatisfaction is inevitable in the marketplace. Even with complete diligence on the part of the marketer, there will always be some dissatisfied customers. There have been studies which postulate that incremental negative reviews have

had a greater impact on decreasing product sales than incremental positive reviews on increasing sales. Previous research has suggested several possible implications for marketers. Marketing strategists have spoken of the importance of “firing” unprofitable customers (Reid 2005) or attracting customers who are consistent with the image the brand is trying to cultivate (Wallop 2005).

Therefore, the way management deals with these dissatisfactions and negative online feedback can have an important impact on brand, product and company image. (Richins, 1983). However, the fundamental differences between traditional and social media marketing need to be addressed for which firms need specific social media marketing techniques, which in turn require specific strategic resources and capabilities.

There are many interesting problems that need to be addressed in this area and this research paper could pave the way for future studies which may be beneficial for academics as well as industries. It can also help create and improve recommender systems or predictive models to impact future sales, as well as modify consumer behaviour by putting up most helpful or top reviews first. By analysing user generated content from social media, it might be possible to estimate consumer preferences toward different product characteristics and then recommend those which provide the best value for money on an average. Some research questions that can be explored are the relationships between social media reviews and consumer engagement and sensitivity to such reviews. If there indeed does exist a relationship, then whether consumer are actively engaged or mere participants. Another interesting area that can be explored is how organizations use such information to facilitate consumer buying behaviour and the specific marketing strategies can be used to mitigate the effects of negative reviews. Ultimately, analysis of consumer sentiment is an essential part of being a marketer and as such it has important implications for strategy formulation and company success.

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